

Honolulu, Hawaii

MAR 04 2022

RE: S.B. No. 3289  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3289, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HAWAII RETIREMENT SAVINGS,"

begs leave to report as follows:

The purpose and intent of this measure is to promote greater retirement savings for private sector employees in the State.

More specifically, this measure:

- (1) Establishes a state-facilitated payroll-deduction retirement savings plan for private sector employees in Hawaii who do not have access to employer-sponsored retirement plans; and
- (2) Appropriates moneys to the Department of Budget and Finance for the implementation and operation of the Hawaii Retirement Savings Program.

Your Committee received written comments in support of this measure from the Department of Human Services, Department of Labor and Industrial Relations, AARP Hawaii, Aloha United Way, Common Cause Hawaii, Hawaiian Community Assets and Hawaii Community Lending, Hawaii Primary Care Association, Hawaii Public Health Institute, National Conference on Public Employee Retirement



Systems, Policy Advisory Board for Elder Affairs, and twenty-six individuals.

Your Committee received written comments in opposition to this measure from the American Council of Life Insurers and National Association of Insurance and Financial Advisors Hawaii.

Your Committee received written comments on this measure from the Department of Budget and Finance, Executive Office on Aging, Retail Merchants of Hawaii, and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's workforce faces many challenges, including the need of private sector workers to build their savings for retirement. Many workers currently do not have access to employer-sponsored retirement savings plans and risk failing to have sufficient income in retirement to achieve financial security. Your Committee also finds that, due to Hawaii's high cost of living, many workers continue to work beyond normal retirement age, and many of those workers work more than one job. Your Committee believes that establishing a Hawaii Retirement Savings Program would help enable workers to save enough to retire with financial security and avoid working further into their old age.

Your Committee has amended this measure by:

- (1) Establishing a cap amount on penalties imposed on employers for violations of statutes or rules regarding the Hawaii Retirement Savings Program;
- (2) Changing the amount of the appropriation from \$813,600 to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3289, S.D. 1, as amended herein, and recommends that it pass



Third Reading in the form attached hereto as S.B. No. 3289,  
S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



